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DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[LLMT921000-12-L13200000-EL0000-P; MTM 97988]

Notice of Competitive Coal Lease Sale, Montana

AGENCY: Bureau of Land Management, Interior.

ACTION: Notice.

SUMMARY: Notice is hereby given that the coal reserves in the lands described below in Musselshell County, Montana, will be offered for competitive lease by sealed bid in accordance with the provisions of the Mineral Leasing Act of 1920, as amended.

DATES: The lease sale will be held at 11 a.m. on February 28, 2012. Sealed bids must be submitted on or before 10 a.m. on February 28, 2012.

ADDRESSES: The lease sale will be held in the 920 Conference Room of the Bureau of Land Management (BLM) Montana State Office, 5001 Southgate Drive, Billings, Montana 59101-4669.

FOR FURTHER INFORMATION CONTACT: Greg Fesko by telephone at 406-896-5080 or by email at gfesko@blm.gov; or Connie Schaff by telephone at 406-896-5060 or by email at cschaff@blm.gov. Persons who use a telecommunications device for the deaf (TDD) may call the Federal Information Relay Service (FIRS) at 1-800-877-8339 to contact the above individuals during normal business hours. The FIRS is available 24 hours a day, 7 days a week, to leave a message or question with the above individuals. You will receive a reply during normal business hours.

SUPPLEMENTARY INFORMATION: This sale is being held in response to a lease by application (LBA) filed by Signal Peak Energy LLC. The Federal coal resource to be offered consists of all reserves recoverable by underground mining methods in the following described lands:

Principal Meridian, Montana

T. 6 N., R. 27 E.,

sec. 4, lot 1, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$;

sec. 8, NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, S $\frac{1}{2}$;

sec. 10, W $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, S $\frac{1}{2}$;

sec. 14, SW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, S $\frac{1}{2}$; and

sec. 22, W $\frac{1}{2}$, SE $\frac{1}{4}$.

Containing 2,679.86 acres, more or less, in Musselshell County, Montana.

The tract (LBA MTM 97988) contains an estimated 35.5 million tons of recoverable coal reserves. The tract's coal reserves average 12.4 feet in thickness, 9,735 BTU per pound in heating value, 9.64 percent ash, and 0.87 percent sulfur content. The coal reserves to be offered are based on mining the Mammoth coal seam described in the proposed action in the Environmental Assessment and consists of all reserves recoverable by underground mining methods. The tract will be leased to the qualified bidder of the highest cash amount provided that the high bid meets or exceeds the BLM's estimate of the fair market value of the tract. The minimum bid for the tract is \$100 per acre or fraction thereof. No bid that is less than \$100 per acre, or fraction thereof, will be considered. The minimum bid is not intended to represent fair market value. The fair market value will be determined by the authorized officer after the sale.

Sealed bids clearly marked “Sealed Bid for MTM 97988 Coal Sale—Not to be opened before 11 a.m. on February 28, 2012” must be submitted to the Cashier, BLM Montana State Office, at the address given above.

Prior to lease issuance, the high bidder, if other than the applicant, must pay to the BLM the cost recovery fees in the amount of \$132,739 in addition to all processing costs the BLM incurs after the date of this sale notice (43 CFR 3473.2).

The bids should be sent by certified mail, return-receipt requested, or be hand delivered. The cashier will issue a receipt for each hand-delivered bid. Bids received after 10 a.m. on February 28, 2012, will not be considered. If identical high bids are received, the tying high bidders will be requested to submit follow-up sealed bids until a high bid is received. All tie-breaking sealed-bids must be submitted within 15 minutes following the sale official’s announcement at the sale that identical high bids have been received. A lease issued as a result of this offering will provide for payment of an annual rental of \$3 per acre, or fraction thereof, and a royalty payable to the United States of 12.5 percent of the value of coal mined by surface methods and 8.0 percent of the value of coal mined by underground methods. Bidding instructions for the tract offered and the terms and conditions of the proposed coal lease are included in the Detailed Statement of Lease Sale. Copies of the statement and the proposed coal lease are available at the Montana State Office. Case file MTM 97988 is also available for public inspection at the Montana State Office.

Phillip C. Perlewitz, Chief

Branch of Solid Minerals

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